



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

FILLMORE FIELD OFFICE

35 East 500 North
Fillmore, Utah 84631



In Reply Refer to:

3800

(U-010)

UTU-070615

UTU-070660

UTU-075877

UTU-075878

UTU-078293

RECEIVED

NOV 17 2003

DIV OF OIL GAS & MINING

November 12, 2003

CERTIFIED MAIL #7002 3150 0004 1699 4117
RETURN RECEIPT REQUESTED

DAVE PENNEY
PENNEY'S GEMSTONES
PO BOX 312
BEAVER UT 84713

Dear Mr. Penney,

We are sending five reclamation cost estimates for your review.
They are as follows:

1. UTU-070615	Rapunzel Project	\$1,000.00	- S/023/083
2. UTU-070660	Little Spot	\$11,175.00	/ - S/027/024 *
3. UTU-075877	Fantasyland	\$4,920.00	- S/027/092
4. UTU-075878	Pretty in Pink	\$3,340.00	/ - S/027/073
5. UTU-078293	White Tiger	\$2,040.00	/ - S/027/093
		\$22,475.00	

Please contact me at (435) 743-3126 to discuss these figures and how you plan to file the financial guarantee(s).

Sincerely,

Larry Garahana
Geologist

cc: Tom Munson, UDOGM (S/023/083, S/027/024, S/027/096,
S/027/073, S/027/093)

**Reclamation Cost for UTU-070660
For Existing Notice Level Operations**

Dozer Work				Earthwork
	Acres		Cost/Acre	
Light	0	Recontouring Cost	\$ 330.00	\$0.00
Moderate	4.2	Recontouring Cost	\$ 990.00	\$4,158.00
Heavy	1	Recontouring Cost	\$1,485.00	\$1,485.00
Excavator Work				
Roads with the side Slope,	Linear Feet		Cost/Linear Foot	
<30%	0	Recontouring Cost	\$ 1.50	\$0.00
>30%	0	Recontouring Cost	\$ 2.40	\$0.00
Areas of non-road disturbance where the use of dozer wouldn't be adequate.				
	Acres		Cost /Acre	
<30%	0	Recontouring Cost	\$4,665.00	\$0.00
>30%	0	Recontouring Cost	\$7,465.00	\$0.00
Revegetation				Revegetation
	Acres		Cost/Acre	
Non-Road disturbances with machine spreader	0	Revegetation Cost	\$ 600.00	\$0.00
Non-Road disturbances with manual spreading	5.2	Revegetation Cost	\$150.00	\$780.00
	Linear Feet		Cost/Linear Foot	
Road disturbances with machine spreader	0	Revegetation Cost	\$ 0.20	\$0.00
Road disturbances with manual spreader	0	Revegetation Cost	\$0.05	\$0.00
Mobilization				Mobilization
	No. Pieces of equipment		Cost/Piece	
	1	Mobilization Cost	\$ 750.00	\$750.00
Total Labor Cost				
	\$1,688.75	Total Reclamation Cost		\$7,173.00
Administrative Fees				
	Contractors Profit	10% Rec. Cost		\$717.30
	Contract Administratio	16% Rec. Cost		\$1,147.68
	Contingency	10% Rec. Cost		\$717.30
	Indirect Cost Rate	17.8% Rec. Cost		\$1,276.79
	Engineering/Design	2% Rec. Cost		\$143.46
	*Insurance	1.5% Labor Cost		\$0.00
	*Bond Maintenance	3% Rec. Cost		\$0.00
* Only Administered if Estimated Contract Costs over \$100,000.				
Total Administration Cos				\$4,002.53
Bond Amount				\$11,175.53

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Little Spot

UTU-070660

S/027/029